

App. F. IX-4

Previous References

St A 242-26 (1-2)

1928-29

(S & A)

File No. 252-28

Serial Nos. 1-4

References

A 91-31 Med. 240-38, Hs. 1-2.

1-2 -

20-31-1 (see sketch)

Later Ref

St A 104-45 (1-2)

General and Revenue Secretariat.

St A 31-18 (Hesw)

St A 612-27 (1-2) family

St A 151/32

Serial Nos.

St A 209-33 (1-2)

St A 44-34-42

St A 597-55 (1-2)

Med. 235-40, Hs. 1

Part B for April 4 29

St A 28-48-1

SUBJECT

Scheme for The grant of Compassionate
grants or allowance to the families of deceased
Officers.

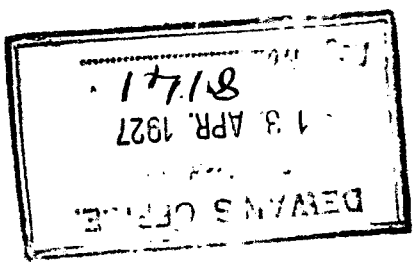
No. 27418-77 dated 3.4.42

To the Commission
The Secretaries to Government,
The Heads of Departments,
The Deputy Commissioners of Districts

Sanctions The above Scheme.

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]



This is a letter from the Secy,
regarding certain correspondence
from Maj and other authorities
sent in the above mentioned
letter with a representation of
what would be the answer.
A date may be fixed for paper
for your own & leaving.

Yours

(Dewan)

19/4

N.B.—Should routine notes be written on small slips,
the notes must be copied, or slips pasted on
this form

12553

14/4

SM

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252

of 192-8

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No.

5 With regard to the Financial Secretary's notes stating that the contribution of Government for - past services may be $1/24$ as in the Electrical - Department and may not carry interest, it is respectfully submitted that the cases are not on all fours. The Electrical Department was given a concession, if I may be permitted to say so, to which it was not entitled. They had no pension or - - Provident fund rights and the introduction of ^aprovident fund in their case was a generous gift of Government.

1 In the case of the Civil Service officers, - however, they are giving up $1/3$ of the pension - admissible to them under the rules and if, as is proposed, the scheme should be introduced and made applicable to all officers, that is, even to an - officer who is 53 years old then we cannot reduce the rate for the contribution for previous service nor can we refuse to pay interest on the same, - since otherwise the amount received at the time of retirement would be considerably less than the commuted value of the portion of the pension which - he is giving up.

1 The officers would not agree to give up $1/3$ of the pension right unless they would get some - tangible return in lieu thereof.

I beg to submit for perusal a copy of a note

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(will follow)

note on the same subject in which ^{have been given} the figures of the amount of Provident fund compounded at 5 % ~~would be~~ if the rate of contribution is fixed at one anna in the Rupee and it is seen therefrom - that even at one anna in the Rupee the commuted value of the pension given up is ^{in very many cases} more than the accumulated sum at credit of the provident fund.

9 No officer would therefore give up 1/3 rd pension if the contribution for previous service should be at 1/24 of one year's pay for each - year of service as in the Electrical Department. The file may perhaps be sent to the Comptroller unofficially for remarks.

The Civil Service Association has proposed a contributory provident fund of one anna in the Rupee while the rate proposed in the secretariat ^{in the separate file on this subject} note below is 8 pies in the rupee. The introduction of a contributory provident fund at the rate of 8 pies in the rupee will not involve - any extra cost whatever to Government, while - that proposed by the Civil Service Association will involve a little extra cost and what the - association wants is apparently a generous treatment by Government taking into account the fact that something must be done in the case of those persons who die in harness and to whom no payment whatever is being made now. The extra - cost of the scheme proposed by the association

NOTE—Contn. sheet

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No.

- 3 -

association would perhaps be just about equal to any scheme that may be put up to benefit - such cases, the pension system continuing as at present.

(i) The Comptroller may, however, be consulted as proposed.

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19/4

7/28

J.T.O.

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The Pension Regulations are admittedly defective and operate as a hardship in that they do not provide for the grant of any compensation to the families of Officers dying before retirement; and the compulsory insurance and optional provident fund arrangements do not go far to remedy the defects.

There are some obvious advantages in introducing a Contributory Provident Fund System in replacement of the Pension rights, wholly or partly.

The desirability of introducing this reform in the Commercial Services and gradually in other departments has been practically accepted.

The Government of India have under their active consideration the adoption of the Contributory Provident Fund Scheme for General services and we may expect before long their final decision on this important question.

The Mysore Civil Service Association does not propose the wholesale substitution of a Provident Fund Scheme in lieu of Pension.

It suggests the establishment of a Contributory Provident Fund with 2/3rds pension rights continued, the Government contributing a sum equivalent to one anna in the rupee on the pay of the officer against the surrender of the 1/3rd pension.

Under the Fundamental Rules of Government of India, Pensionary contribution in the case

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case of officers of All India services (other than I.C.S.) ~~not~~ lent to Foreign Service³ is recoverable at 3/16th of pay actually drawn in Foreign Service.

The Association evidently values the pension rights on this basis and proposes that in return of the surrender of 1/3rd pension, Government should contribute 1/16th of pay drawn by the officer, to the Provident Fund, the employee contributing an equal sum.

The suggestion of the Association seems to be reasonable and is worthy of sympathetic consideration at the hands of Government.

The adoption of the proposed Scheme which would be compulsory in the case of new entrants may not present any serious difficulties. But there are certain important aspects of the Scheme which require careful examination in the matter of its application to officers in service.

It is stated by the Association that 'the proposed Scheme can be brought into force immediately with very little extra cost to Government'. This is the main point for consideration.

Assuming for the sake of argument, that on the examination of some typical cases the computed value of the one third pension surrendered would be almost equal to the contribution payable by Government - otherwise the scheme will not be advantageous to the employee - it can be -

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be easily shown that the ultimate cost to General Revenues will be more than under the present arrangement.

It has been calculated^a in British India that in one large service, only 75% of the employees drew pension, while the remaining 25% either died before earning pension or were not entitled to it.

If a Contributor, Provident Fund System be introduced, even partially, the contribution - paid towards a certain percentage of the total number of employees would obviously be an additional charge to the State.

The total establishment charges in Mysore may be roughly estimated at about a crore of rupees and the annual contribution at one anna in the rupee will amount ~~to~~ to 6 lakhs of rupees. This amount will have to be contributed every year from the General Revenues and there will not be material reduction immediately in the pensionary charges now incurred.

The savings in the pension payments will accrue only gradually according as the existing pensions lapse.

The liability in respect of contribution for past service is likely to be heavier. The total amount to be paid may aggregate to several lakhs of rupees, and though this contribution need not be paid in one lump sum and may be spread over a number of years, still the extent of the liability involved may, it is feared, be such as

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as cannot be undertaken with ease in the present financial condition of the State.

Whether the scheme proposed by the Association will be advantageous to the existing employees and the Government and on what lines the scheme should be started to meet the claims on the Fund as they arise without strain on the General Revenues, are matters on which expert opinion has to be obtained.

Our Pension rules are based on the British Civil Service Regulations.

The Government of India have, it is believed submitted the question for actuarial examination and we may await their solution of the problem. If, however, the matter is considered as one of urgency, the question may be referred to a competent actuary for examination and his advice may be sought for.

The deputation may be given an opportunity to present the case and submit concrete proposals for the consideration of Government.

To the chief clerk with compliments

12.5.27

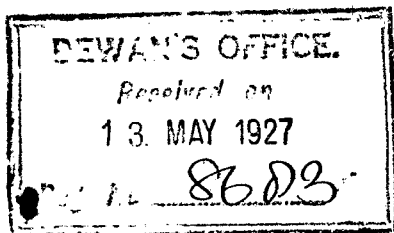
A — This may be done and the scheme further considered in the light of the representations made and of the final decision of the Govt of India.

Dewan)

new
13/75

Note—Contn. Sheet

The Assn request that some time this week the next may kindly be fixed if convenient to the Dewan. It would have more the half an hour.



1557

4426

9

File No.

202 of 192

Serial
No.

up a Ben
Secs
)

1/10/27

CB

10/8

Sm (22/10/27)

Submitted for orders as to further action,
if any, to be taken in regard to this

1391
28-7-27

CHIEF SECRETARY
26 JUL 1927

26/7/27

Inwarded to Secy
with compliments

26/7

aps. Fin

To be put-up with the later
Correspondence in which Dewan
has passed away - that the
question may be and his the
b-9. decision is announced

Please put up 28/7/27
24/7
28

Sided with the file below.

1.8.27

for (every) M.V.
24/7

28/8/27

1701
3/8
GENL. & REV. SECT.
4 AUG. 1927

NOTE - Contd. in
FINANCIAL BRANCH.

OFFICE OF THE SECOND MEMBER OF COUNCIL.

Note.

ARY NO.

Dated 15th August 1927.

19	19
Section.	
No.	

The accompanying list showing the important measures requiring attention in the Department during the half-year ending December 1927 is forwarded, with compliments, to the Financial Secretary for necessary action.

Intd.L.N.K.
15/8/27.

A/S Fin.

Open separate files for each of the subjects and put in.

Intd.B.S.
16/8.

Early

Intd.M.V.
16-8-27.

25K
21
19/8

9235
4 7. Replacement, fully or partially, of pen-
sions by Provident Funds.- A deputation represent-
ing the Civil Service Association and the Non-gazet-
ted Officers' Association waited upon the Dewan and
suggested the need for this measure. This matter
is under the consideration of the Government of
India and as we generally follow the Service Regu-
lations of that Government, it is proposed to wait
for a short time with a view to see on what lines
that Government decides upon solving the problem
and then settle what action we should take here.

Subd. The files on the subject have been
ordered to be kept by until Govt of
India's decision is announced. If approved
this will be filed with them.

W.P. 278

M
26/8.

Yes

W.V.

29/27

Contributory Provident Fund Cum Pension. 121

4479
12/9/27

A deputation representing the Civil Services and Non Gazetted Officers Association, waited on the Dewan in May 1927, at a conference at which the Members of Council were also present and pressed on the attention of Government, the introduction of a Provident Fund Scheme combined with reduced pension privileges

The Scheme suggested for adoption is as follows:-

"A contributory Provident Fund may be established to which Government will contribute a sum equivalent to one anna in every rupee of the pay of an officer and an equal amount will be required to be contributed by the officer concerned. Subscription to the Scheme will be compulsory in the case of all future employees. To officers already in service, option will be given to elect finally at the time the Fund is created to subscribe to the Fund or not. Those elected to subscribe to the Fund will not, however, be required to pay contribution for past years of service. Only the Government share of the contribution for past service will be credited into the Fund. The contribution by the Officer will begin from the time of starting the Fund. The Fund will carry interest at 5% per annum, compounded. In consideration of Government giving one anna in the rupee to the Provident Fund, the Officer will give up 1/3rd of the pension that he would be entitled to get under existing rules. The amount accumulating in the Provident Fund will be handed over to the Officer himself on retirement or to his heirs in case of death prior to retirement."

The question of instituting a scheme of Provident Fund in partial substitution of the pension system has long been under consideration of the Government of India. And as it was understood that a Scheme was under the scrutiny of the Government Actuary, it was decided that we might well await for a short time with a view to see on what lines that Government would find a solution of the problem and then settle the action to be

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be taken here.

We have waited sufficiently long. The services are insistent on some definite action being taken in introducing this urgent reform. The sad demise of Mr. M.G. Srinivasa Rao, recently has served as fresh reminder to the services for asking that the problem should be tackled without delay. I think it is desirable to adopt some suitable measures for remedying the vital defect in our pension scheme under which the heirs of an employee dying in harness (or soon after retirement) get no relief from the State in return for the services rendered by him however long or meritorious they may be.

I have bestowed some thought to this important question and have examined the figures furnished by the Association. The scheme adopted by the Imperial Bank of India has also been referred to. I now venture to submit for the consideration of Government, a provisional scheme which may meet to a large extent the just demands of the services and will, I believe, not materially enhance the burden on the general revenues.

As I have already pointed out in my first note on the memorandum presented by the Civil Service Association, the introduction of a Provident Fund Scheme in any form which will be acceptable to Public Servants already possessing pension rights is bound to throw some additional charge on the revenue Budget. The Contributory Provident Fund scheme, naturally connotes an automatic arrangement for the discharge by Government ^{out} of the ~~annual~~ annual revenues, of the liability undertaken in respect of every subscriber to the Fund, as it arises. In the present condition of the State's revenue position, I take it that it is not possible to contemplate the adoption of any scheme which would fully satisfy the employees, but that an endeavour may be made to arrive at a fair compromise. All these factors have been kept in view in the suggestions that I am going to

to make in the following paragraphs of this note.

The proposal of the Civil Service Association has evidently been based on the assumption that the commuted value of an officer's pension will, on the whole, be more or less equivalent to a monthly contribution by Government of 3 annas in the rupee of the pay of the employee, compounded at 5% interest per annum till the date of retirement. This assumption may be right or may not be right. The calculations so far made show that in some instances, at any rate, the Government contribution under the Provident Fund Scheme would be very much more than the commuted value of the pension. Besides, there are different factors entering into the calculation of the two sets of figures which do not seem to justify a fair comparison between them. For one thing, the commuted value of pension is dependent on the average expectation of life of the pensioner and the rate of interest adopted for the purchase of the monthly pension payments. The tables for calculation of commuted value are not constant. Then again the pension due to an officer is based on the average emoluments during the last three years of service. There is a limit to the maximum pension that may be earned by an officer and there are different maxima for different classes of officers.

So far as Provident Fund is concerned, the question is merely one of mathematical calculation, the amount varying with the rate of contribution, the period of service, the pay earned by the officer from year to year and the rate of interest allowed on the contributions.

In view, however, of the fact that the pensionary contribution in respect of several services in British India is fixed at 3/16th of the rupee, I think, it would not be unreasonable to frame a suitable Provident Fund Scheme on this basis.

According to the Imperial Bank of India scheme, employees

employees are permitted to contribute 5% of their salary to the Provident Fund to which the Bank contributes an equivalent sum. The employee is also entitled to pension to which he is required to contribute another 5% out of his salary.

I would suggest the establishment of a Contributory Provident Fund on the basis of a Government contribution of 9 pies in the rupee of the 'emoluments' of the employee who may be required to contribute an equal amount and surrender one fourth of his pension. The portion of the pension to be surrendered bears exactly the same relation to the Government contribution as in the proposals of the Civil Service Association, my quantities being three fourths of their figures.

Our pension rates are not over-liberal. The scheme of commutation of pension is not altogether an unmixed blessing. The present rules in the M.S.R recognise commutation only up to one fourth of an officer's pension. The burden on the General revenues in meeting the liability on account of Government share of contribution in respect of officers' dying in harness, will also be proportionately less under my scheme. It is in view of all these considerations that I have proposed a reduced scale of contribution instead of one anna as suggested by the officers.

As proposed by the Association, this arrangement will be compulsory in the case of all future entrants into pensionable service. In respect of employees now in service the election to the Provident Fund would be optional. Their contribution will commence only from the date of election. As regards past service, ie., service rendered prior to the introduction of the scheme, the Government contribution may be calculated at 9 pies in the rupee of the emoluments drawn in the month of June in each year, compounded with an interest at 3½% per annum.

The question of interest is another important thing to be considered. There is not much difficulty as regards calculation of interest on the fund after the date of the introduction of the scheme, as the rate of interest in force under the State Provident Scheme may well be adopted. This is now 5%. The Civil Services' Association request that compound interest at the same rate may be added to the contributions for past services also. I do not think that this is a reasonable request. The question of payment of interest arises only when there is money in deposit and strictly speaking, no interest on contributions in respect of services rendered prior to the introduction of the scheme can be allowed. Besides, the value of ~~money~~ money has, for many years, been less than 5%, in the past.

As I have said, there are instances according to the calculations so far made, where the amount of contribution that Government will have to pay under the new scheme will amount to a larger figure than the commuted value of the pension admissible. As, however, the introduction of the Provident Fund scheme with no offer of interest on contributions for past services will not be beneficial to the Public servants who have rendered fairly long service, interest on contribution for past services may, in my opinion, be allowed at $3\frac{1}{2}\%$ per annum, which represents the return on Government of India stock and which is the rate allowed on the bulk of Insurance Fund.

I would also propose the following financial safe guards against undue risk in undertaking this reform.

The Government of India share of contribution though credited to the employee's account in the books, should not become payable before he renders a qualifying service of at least 15 years. This is the minimum adopted by the Imperial Bank of

of India. In the Railway Department, a minimum service of 15 years is prescribed for earning gratuity. This is a fair limit and may be adopted.

The total Government contribution with interest admissible to an officer should not exceed the commuted value of the pension, which he would be entitled to at the time of payment.

There should be a rule that the Government contribution is liable to ^{be} stopped after an officer attains the age of superannuation, provided that it may, in the discretion of the Government, be continued thereafter till the officer earns the maximum pension admissible to Public Servants under Mysore Service Regulation. This maximum is now Rs 600/- per mensem.

The scheme need not be made applicable to menial servants, nor to superior servants on pay of Rs 20/- and below.

I would also propose that employees coming under the Provident Fund scheme should not be permitted to commute any portion of their pension which would be three fourths of that otherwise admissible.

At present, the privilege of commutation of pension is granted to officers who are in receipt of pension not exceeding Rs 100/-. In this connection, I venture to suggest that the commutation privilege may be ~~th~~own open to pensioners of all grades without distinction. With the introduction of a Contributory Provident Fund scheme this arrangement is feasible, as I will show presently, without strain on the State's revenues.

If my proposals are adopted, all officers in the State whether in actual service or on the pension list, will have a fair opportunity of obtaining, in lieu of one quarter of their pension, a lump sum amount for suitable investment and the risk involved under the pension scheme to the heirs of those who die without enjoying its full benefit will be obviated to some extent. This would be ^abeneficial measure.

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In the scheme formulated above, there is no provision made for the grant of relief in the case of death of employees with less than 15 years of qualifying service. To provide for - suitable financial assistance in these and other cases of hardship, I have suggested the constitution of a Compassionate - Fund on the basis of Government of India scheme but on ^{moderate} ~~very diff-~~ ~~ferent~~ lines. This question is dealt with in a separate file.

If the introduction of the scheme on the lines suggested above is generally approved, the details can be worked out and necessary further action may be taken for providing suitable grants in the annual budgets.

For the present, a sum of Rs 50,000 may be provisionally provided in the next year's budget for meeting the Government contribution. This amount may, in all likelihood, be more than sufficient to meet the demands arising in course of the year in respect of those employees who retire under the usual rules. The annual growth in the pension list is about Rs half a lakh. There will be no need for providing for this growth in future. Against this, provision for a progressive increase of expenditure of half a lakh of rupees in each year may be made under the Provident Fund head so that in due course the full liability towards payment of Government contribution will be discharged annually as it arises, by subscription to the Fund. As the cumulative effect of the introduction of Provident Fund scheme and the grant of the privilege of commutation of pension, it may confidently be expected that there will be reduction in pension charges in due course.

The throwing open of the Commutation Scheme to all pensioners will not also embarrass the State's resources. For, the amounts that will be received as contribution to the Provident Fund from the employees will amount to some lakhs of rupees, if a large body of Public servants elect the scheme

scheme, and the balance in the Fund will have to be invested in securities at a fair rate of interest or otherwise. There can be no possible objection ⁱⁿ borrowing out of this fund the amount required for meeting the commutation claims of pensioners.

Under the new scheme of Commutation that we have adopted on the model of Government of India rules, the amount advanced towards commutation will be repaid from the pension grant by equated payments discharging both principal and interest in 15 years. The amount borrowed from the Provident Fund will thus be regularly returned to it. There is no risk involved in the arrangement. It would be appropriate if, along with the introduction of the Scheme of the Provident Fund, as the privilege of commutation be extended to pensioners in receipt of pension exceeding Rs 100 also.

Viewed as a whole, I do not think that there will be any material disturbance in the Revenue or Capital Budget of the State by the adoption of the scheme above suggested. I do hope that it will to a large extent meet the wishes of the Public Servants. The proposals may be considered as tentative. After the Government of India Scheme is announced, suitable revision may be effected in the Scheme. In the meanwhile it is suggested that the Actuary Mr. Bacon who will now be engaged for the valuation of the Insurance Fund may be requested to offer his opinion.

To sum up, I beg to suggest that a Contributory Provident Fund may be established on the following lines:-

1) The Contribution from Government may be fixed at 9 pies in the rupee on the employee's emoluments counting for pension.

2) The employee should contribute an equal amount monthly by deduction out of his salary. This contribution would be exclusive of the payment of subscription for compulsory

compulsory Insurance in the official branch. V

3) The pension of such employees will be limited to three fourth of what would otherwise be admissible under the rules.

4) The Scheme will be compulsory in the case of future entrants into pensionable service of the State.

5) In respect of employees now in service, election to the Scheme would be optional. Their contribution to the fund will begin from the date of election. A period of six months may be allowed for the exercise of option. In respect of past services, the Government contributions will be calculated at 9 pies in the rupee of the emoluments for the year based on what was drawn in the month of June in each year.

6) The account of the fund should be made up yearly, compound interest being calculated at the same rate as is allowed to the State Provident Fund. This rate is at present 5%. As regards contributions for past services, the interest will be calculated at $3\frac{1}{2}$ % per annum.

7) The Government contribution will not become payable in any case before the employee renders a qualifying service of 15 years.

8) Inferior servants as well as officers in superior service on pay not exceeding Rs 20/- will not be eligible to subscribe to this scheme.

9) The employees coming under the Provident Fund scheme will not be permitted to commute any portion of their pension.

10) The amount admissible to a subscriber to the Fund as the Government contribution, should in no case exceed the commuted value of one fourth of pension, which he has earned or may be held to have earned, when the amount at credit becomes payable.

11) Government contribution is also liable to cease after the age of superannuation/ or after the maximum pension (Rs 600) is earned, which ever is later.

12) The Scheme may be brought into effect with effect from the first July 1928 and a sum of Rs 50,000/- may be provided

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provided in the next year's budget for meeting the Government contribution to the Fund. If the Budget provision of the year is found insufficient to meet the demand for final payment on account of the Government contribution, the required amount may be borrowed at interest from the Fund to be repaid by equated annual payments discharging both principal and interest.

13) The privilege of commutation of pension now granted to the officers in receipt of pension up to Rs 100/- only, may be extended to retired officers of all grades. A suitable provision may be made in the annual budgets to meet the commutation ~~claims~~ claims, the required amount being borrowed at interest out of the balance in the Provident Fund.

14) The opinion of a consulting Actuary may be obtained on the proposals in this note before further action is taken.

2nd member)

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/2. 2. 28.

P. S. Rao

General and Revenue
Secretariat.

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The substitution, partially or wholly, of the existing system of pensions by that of provident funds is a large problem and I do not think it is possible to attempt its solution without proper actuarial advice. The same question has been under the consideration of the Government of India for some years past and I think it would be well to know exactly the lines on which they proceed before we make any material modification in our pension system.

In most matters relating to Service Regulations, we follow the Government of India and if the new system which will be adopted by that Government is more favourable to the services, our officers will ~~ask~~ ask for similar treatment and it will be difficult to refuse this request.

If, as suggested by the Financial Secretary in the last para of his note, we propose to obtain actuarial advice and attempt ~~and~~ an independent solution of the problem, the arrangement is likely to involve not less delay than that in waiting for the Government of India decision in this matter, as ~~will~~ ~~an~~ the material which the Actuary may require,

will

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General and Revenue
Secretariat.

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will have to be collected and supplied to him and sufficient time also given to him to study the subject and give his advice.

All things considered, it seems to me that it is neither desirable nor possible to take any immediate action on the lines suggested either by the Civil Service Association or by the Financial Secretary.

At the same time, the need for affording some relief in cases in which officers die while in service or soon after they retire, is urgent. The operation of the present pension system is not fair as the rules provide for no consideration whatever in cases in which officers die in harness, however long the service rendered by them, or in cases in which pensioners die, however short the period during which they ~~have drawn~~ pensions. This defect requires early remedy.

In the circumstances stated, it is, I think, necessary to adopt some provisional arrangement for affording relief in cases of the kind mentioned above. I would suggest that the relief may take the form of granting a gratuity proportional to the length of service rendered. A minimum service of five years may be insisted upon for allowing this gratuity.

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CP24
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gratuity and the maximum service for which it is payable may be limited to 30 years.

For ~~y~~ each completed official year of approved service, one month's pay, based on that for the last month of the year, may be given as gratuity. The maximum ^{Monthly} pay for this purpose may be fixed at Rs 1,000. This relief may be given to the members of both services, superior and inferior.

There may be cases in which officers retiring on pension draw less than what would have been admissible as gratuity had they died in harness just before retirement. In such cases, the excess of gratuity over the pension drawn may be paid to the dependents of deceased pensioners.

Dewan (Kut)
Chief Secy)

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6.4.28

E
2.4.28

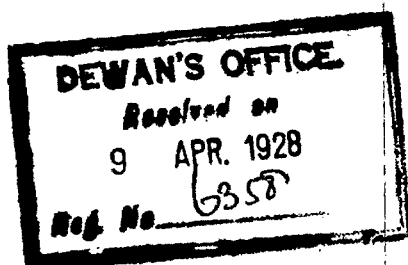
mu
7/4

May be considered in Council.
Kut's brings it up at
the next meeting.

Im

10-4-28

C. Secy)



NOTE—Contn. sheet

(For Disposal at a Meeting)

No. C. 324

7 1927-28

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT

(clause ~~xiii~~ of the schedule)

Proposals for the grant of Gratuity in the case of officers who die in harness or soon after they retire.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

16th April 1928.

M. A. H. S. S.
Chief Secretary to Government.

8621
18/4 First Member of Council.

100
19/4/28

5978
16/4 Second Member of Council.

MHC
18/4/28

10231
18/4 Third Member of Council.

CSJ
18/4

Not considered in council
on 28/4/28.

—Do 14/6/28.

(was ordered to be included
in the reserve list (Case).)

14/6/28

Subject. -

Proposals for the grant of Gratuity
in the case of Officers who die in harness
or soon after they retire.

.....

Opinion of the Council.

The Hindu 21-11-1928

ANANTAPUR N.G. O.
CONFERENCE
Extract from
COLLECTOR'S ADDRESS

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2148
7P
C324728

The other thing that he drew pointed attention to is our present very unsatisfactory pension system. There I think I am as good a grievance-monger as any of you. I think the system is indefensible. It is a system which I think takes the minimum out of Government coffers and causes the maximum of hardship to persons who spend their life in Government service. There is absolutely no provision for the family if a Government servant happens to die in harness. You refer of course to the slight liberalisation you had in the matter of compassionate allowances and gratuities. I do not think it touches even the fringes of the case. The pension system must be replaced by a system of either wholly a provident fund or a mixed system of provident fund and pension.

22 NOV. 1928
No. 95

22 NOV. 1928
No. 3108

GENL. & REV. SECTY
FINANCIAL BRANCH

We have considered the question raised in the above extract and some solution has also been suggested. The inequitable operation of the present ^{pension} system calls for prompt redress. I believe it was suggested at one of the recent meetings of the Council that this question might be brought up for consideration again. I shall be obliged if the Financial Secretary will take the needful action. The dependents of officers who die in harness or soon after retirement are stranded as they are, ~~and~~ denied the consideration due for the service rendered by ~~the~~ ^{the} deceased officers or pensioners who were maintaining them.

Mull
22.11.28

To Chief Secy with Compliment
for favour of returning the file
which is before Council,
I remain -

22.11.28
147

CB

Subd with the file refd to above.
KR. 24/11/28
File Secy with compliment

CHIEF SECRETARY
24 NOV. 1928

C324 of 27-28.
Grant of gratuity in the case of officers who die in harness or soon after their retire.

173
24/11

28
16Serial
No.

The introduction of a Provident Fund Scheme in Mysore so as to remove certain inherent defects in the present Pension Scheme has been held up pending the decision of the Government of India on a similar question under their active consideration.

The need for affording some suitable relief to the families of officers dying in harness or soon after retirement is really urgent and it is high time that some provisional scheme of grant of compassionate gratuity or allowance ^{was} is adopted to relieve hardship to the families of Government servants.

Acceptance of this principle will undoubtedly involve some additional ~~necessary~~ recurring expenditure, which has to be faced.

When the present rule in article 241, M.S.R. is abrogated and Government are prepared to recognise the 'claim of the widow', it would perhaps be difficult to deny the grant of the concession in existing cases of real hardship.

It is necessary therefore, in the exigencies of the State's finances, to proceed somewhat cautiously and to provide certain limitations so that the total charges may not unduly mount up.

The scheme proposed by the First Member is as follows:-

- (1) The minimum service for payment of

26
17Serial
No.

gratuity to be five years.

(2) For service of five years and above, gratuity to be paid at one month's pay for each completed official year of approved service -- whether superior or inferior -- based on that for the last month of the year.

(3) The maximum service for which gratuity is payable to be limited to thirty years.

(4) The maximum monthly pay for calculation of gratuity to be fixed at Rs 1,000/-

From the application of these rules to the cases of some retired officers it would appear that the maximum gratuity payable in any single case might go up to Rs 20,000/- or even more. It is desirable to reduce the maximum liability in individual cases.

The relief is most urgent in the case of families of officers whose income during their lifetime was not sufficiently high to enable them to make sufficient provision for their dependents, and in other cases the help from General revenues may be expected to supplement existing resources.

Then again, no distinction is proposed to be made in the above scheme between inferior and superior servants in regard to the grant of this gratuity. Under the existing pension rules the gratuity payable to an inferior servant is calculated at only half month's (last) pay for each year of service up to 30 years. It may happen that in some cases the gratuity payable under this scheme would be more than that admissible

30
18Serial
No.

under the ordinary pension rules on natural retirement.

In granting relief to widows of deceased officers it may be desirable in some cases to grant annuities (under the scheme recently sanctioned) instead of lumpsum gratuity. A provision of this kind will be helpful to the Treasury in ~~re~~ reducing outgoings.

In view of all these considerations I beg to suggest the following modified scheme for the grant of compassionate gratuity or allowance to the families of deceased officers.

(1) The minimum service for grant of relief may be 5 years qualifying service.

(2) For service of 5 years and above, gratuity may be paid at the rate of $\frac{3}{4}$ th month's pay for each completed official year of approved service -- whether on the superior or inferior scale -- based on that drawn on the last month of each year.

(3) The maximum service for which gratuity is payable may be limited to 25 years and the maximum monthly pay for calculation of gratuity may be fixed at Rs 500/-

(4) The grant of gratuity should be entirely within the discretion of Government and no claim can be preferred by any body as of right.

(5) Government may reserve to themselves the power of purchasing, on behalf of the claimants, annuities instead of making lumpsum payments of the gratuity admissible.

(6) Government should of course have the

Serial
No.

right to modify or cancel these rules ~~in the~~ at any
meantime, without prejudice to sanctions already accorded.

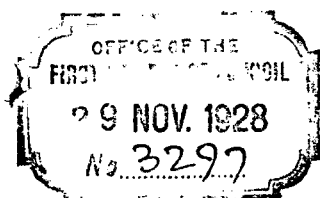
(7) These rules should be provisional and subject to revision when the Compulsory Provident Fund Scheme for pensionable employees is introduced.

(8) A sum of Rs 20,000 per annum may be provided in the budget for the grant of gratuity under this scheme for a period ~~for~~ of 3 years for the present.

(9) The outlay in any year should not exceed the available provision. The rule of lapse need not however be applied to the budget grant. Sums unexpended in a year may be credited to a "Compassionate Allowance Fund" and be made available for expenditure in succeeding years.

(10) The scheme which is primarily intended to benefit the families of officers dying in harness may be extended to cases in which the aggregate pension drawn by retired officers is less than the gratuity admissible under these rules had they died just before retirement. In such cases the excess of gratuity over the pension drawn may be paid to the family of the deceased, on consideration of the merits.

First Member.)



DEWAN'S OFFICE
1 DEC. 1928

No. 2575

NOTE—Contn. sheet

May be considered in Council
with Dewan's approval.

To Chief Secretary with Compliments

WD 1214—GPB—500—21-10-28

29.11.28

142

29.11.28

29.11.28

(For Disposal at a Meeting)

No. C. 208

2-1928-9

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT

(clause XII of the schedule)

Modified Scheme for the grant of compassionate gratuity
or allowance to the families of deceased officers.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

M. A. Hare
Chief Secretary to Government.

3rd December 1928.

First Member of Council.

(seen)

Second Member of Council.

copy
4/12

Third Member of Council.

h
6/12

4254
4/12
5984
5/12

(Not considered 7/12/28)

Subject:-

Modified scheme for the grant
of compassionate gratuity or allowance
to the families of deceased officers.

.....

OPINION OF COUNCIL.

Next meeting
me

7 #

34
21

Subject:-

Modified scheme for the grant
of compassionate gratuity or allowance
to the families of deceased officers.

.....

OPINION OF THE COUNCIL.

✓ Please see
13/12
✓

✓ 10/11/29 ✓

P.T.O

c 10835

Extract from the Proceedings of the..... 835th Meeting of the Council of His
Highness the Maharaja, held at Bangalore on the..... 31st January 1929..... 19

62. Subject. - Clause xii of the schedule.

Modified scheme for the grant of compassionate
gratuity or allowance to the families of deceased
officers.

OPINION OF THE COUNCIL.

The opinion of the First Member -

(5 years minimum service
one month's pay for one year service
and 30 years)

may be approved.

(Signed) Mirza M. Ismail,

Dewan of Mysore.

First Member for favour of Final Note.

Rg
1/2/29.

Some details have to be considered
and the final note after
consultation with the Secy to
Whom the file may be sent
only.

1-2-29
h
2/2

"EXTRACT"

R. R. Rameshwar

Chief Secretary to Government.

WD 1471-GPB-2,000-1-3-21

4603
1/2

FINANCIAL SECRETARY

2 FEB. 1929

No.....

2448
Re.36
23Serial
No.

Drafts of Final Note and Government Order are submitted. I have shown them to the Comptroller also.

As per orders of the Dewan and the First Member, the aggregate limit of gratuity payable in respect of an individual case is fixed at Rs 10,000/-

The rules cannot, I think, have retrospective effect. If they should be introduced immediately, some provision will have to be made for meeting the claims arising during the course of the year.

I would respectfully urge once again the desirability of granting the First Member.) gratuity or compassionate allowance in & DEWAN.) in form of Annuities - For one thing, the suggested arrangement will reduce Treasury outgoings; for another, the risk of the lumpsum amount being frittered away by the recipients, without obtaining the maximum benefit from the scheme is minimised. $\frac{1}{2}$

12.2.29.

The Financial Secretary has suggested two important amendments and the case may therefore be re-circulated.

The first suggestion is for placing a maximum limit of Rs 10,000/- on the amount of compassionate gratuity payable in any one case. This is, ~~no doubt~~, a restrictive provision, but it is considered necessary by the Financial Secretary. I am, ~~however~~, for bringing

the

4917
14/2

Serial
No.

the scheme into force as early as possible ~~and~~ subject to any limitation which the Finance Department may impose. I understand that the Dewan has agreed to this limitation.

The second suggestion is in regard to the form of payment of ~~a~~ compassionate gratuity^{ies}. In the case of small sums — the Financial Secretary places this limit at Rs 500/- — he suggests that they may be disbursed once for all. Larger amounts, however, he proposes may be disbursed in the form of monthly or quarterly payments under the scheme of Income Policies recently sanctioned by Government. I think this is a ~~very~~ good suggestion. There is risk of a capital sum being frittered away by the dependents of a deceased officer. If the family has any debts, creditors might also take away the gratuity if paid in one sum. To ensure a maintenance provision for the dependents of a deceased officer and to afford immunity to such provision from court attachments, it is desirable to ^{disburse Compassionate Gratuity} ~~give the benefit of~~ ~~the new scheme~~ wherever possible in the form of periodical payments^{for a no of years}. I think this proposal might also be accepted.

CHIEF SECRETARY,
15 FEB. 1929

C. S.
C. S. *Chavala*
15/2

NOTE—Contn. sheet

To chief Secy in the Compliments- *Muk*
1/4 2-29
14/2
14/2

(For disposal by circulation)

No. C. 208

..... 1928-29.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

Scheme for the grant of compassionate gratuity or allowance
to the families of the deceased officers.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

M. A. D. S. S. S.

..... 16th February 1929.

Chief Secretary to Government.

~~Extraordinary Member of Council.~~

First Member of Council.

(Opinion recorded.)

Second Member of Council.

Third Member of Council.

GPB-1,000-288-14

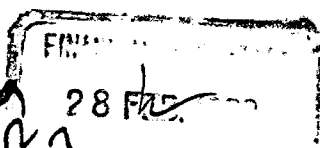
For favour of Final Note,

First Member)

through for Secy, 26/2

28/2/29

27/2



5234
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6237
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2/2

3906
2,261
5234
28/2

Serial
No.

211.8
Subject - Scheme for the paying compensation
gratuity to the families of deceased officers.

S. N. submitted

Dewan)

28/4
MV.

Im
2/3

DEWAN'S OFFICE.

1 MAR. 1929

No. 3903

40

Submitted to His Highness.

I submit herewith a Final Note by the First
Member of Council on the subject of - Scheme for
the grant of compassionate gratuity or allowance to
the families of deceased officers. -

for His Highness' gracious approval.

Mirza M. Ismail
Dewan.

Bangalore,
Dated 1929.

h

2-3-29

Final Note by the First Member of Council.

41

Subject:—

Scheme for the grant of compassionate gratuity or allowance to the families of deceased officers.

Under the existing Pension system the claims of the widow or other heirs of a deceased Government servant in respect of the service rendered by him are not recognised. Instances have come to notice where the pension rights of officers dying in harness having been extinguished by death, their dependents are often left in indigent circumstances and it is desirable that some relief should be afforded in such cases.

2. A deputation representing the Civil Services and Non-Gazetted Officers' Associations waited on the Dewan in May 1927 and pressed on the attention of Government the need for the introduction of a combined Provident Fund and Pension Scheme. The chief details of the scheme suggested by them were the following:

A Contributory Provident Fund might be established for all pensionable employees and Government and employees might both contribute to the Fund one anna in every rupee of an officer's pay. The scheme might be compulsory in the case of all future employees but optional in the case of those now in service. In consideration of Government contributing one anna in the rupee to the Provident Fund, an officer should surrender one-third of the pension that he would be entitled to get under the existing rules. The amount accumulated in the Provident Fund with interest at 5 per cent. compounded might be handed over to the officer himself on retirement or to his heirs in case of death prior to retirement. The Financial Secretary's views are contained in his note dated 12th February 1928. These proposals require fuller examination and also actuarial consultation. It is likely that the final settlement of this difficult problem will

Page 1510
Office Notes

42✓

take time.

3. The operation of the present Pension system is, by no means, fair, as the rules provide for no consideration whatever in cases in which officers die in harness, however long the service rendered by them or in cases in which pensioners die, however short the period during which they draw pensions. This is a defect which should be remedied early.

4. The substitution partially or wholly of the existing system of pensions by that of Provident Funds is, however, a large problem as stated above. The same question has been under the consideration of the Government of India for some years past and it would be well to know exactly the lines on which they proceed before we make any material modification in our Pension system ^{provided} if there is no undue delay in their solution of this problem.

*Pages 4 to 13
of office notes*

5. In my note of 6th April 1928, I suggested a provisional arrangement for affording relief in the case of officers dying in harness. The relief may take the form of granting a gratuity proportional to the length of service rendered. A minimum service of five years may be insisted upon for allowing this gratuity and the maximum service for which it is payable may be limited to 30 years. For each completed year of approved service one month's pay, based on that drawn for the month of June, may be given as gratuity. The maximum monthly pay for this purpose may be fixed at Rs 1,000/-. This relief may be given to the members of both services -- superior and inferior. There may be cases in which officers retiring on pension draw less than that admissible as gratuity, had they died in harness just before retirement. In such cases the excess of gratuity over the pension drawn may be paid to the dependents of deceased pensioners.

6. The question was considered in Council finally on

Page 22

officer's ed:-

"The opinion of the First Member, viz., (5 years minimum service, one month's pay for one year's service and 30 years) may be approved."

7. As a financial safeguard it is proposed to limit the maximum amount of gratuity admissible to the family of a deceased officer to Rs 10,000/- being ten times the maximum monthly pay for calculation of gratuity. It is also proposed to grant this gratuity, in cases where the amount exceeds Rs 500/-, in the form of Annuities Certain according to the Scheme of Income Policies recently sanctioned, the period of the annuities being left to the option of the heirs of deceased officers

8. This scheme which may be brought into force from 1st July 1929, will be provisional and subject to revision when the Provident Fund cum Pension Scheme is introduced.

9. I solicit the gracious sanction of His Highness to the Scheme explained above.

Bangalore, }
28th February 1929. }

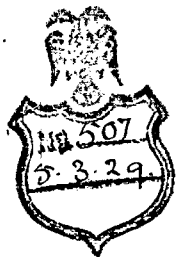
M. M. Subbarao Rao

MEMBER OF COUNCIL.

44

Record of Cases submitted for the Orders
of His Highness the Maharaja.

Subject.



Scheme for the grant of compassionate gratuity or allowance to the families of deceased officers.

507

Order.

KRUP
7/3/29



THE PALACE 45
MYSORE.

7th March 1929.

C.237

one file

J. Jay

mm

7-3-29

mm 8/3

My dear Mirza,

In returning herewith your file No.507, dated the 5th March 1929, on the subject of the scheme for the grant of compassionate gratuities or allowances to the families of officers who die without receiving any material benefit from their pensions, I am instructed to invite attention to a point that seems likely to some extent to vitiate the scheme.

The whole object of the conversion of the gratuity into an income policy appears to be to spread the payment over a number of years, and to prevent the heirs dissipating the whole of the money at once. If, however, as stated in the draft Government Order, the term of the annuity is to be at the option of the payee, apparently he will have the opportunity of dissipating the money, if not immediately, at least in a very short time. I am therefore to ask for consideration of the



46

question whether it would not be well either to leave the term of the annuity to be settled by some Government officer with reference to the conditions of the family of the deceased, or at least to impose a minimum term.

Yours sincerely,

G. S. M. S.

Serial
No.

With reference to the instructions conveyed in the Private Secretary's letter of 7th March 1929 on the scheme of grant of compassionate gratuities to the families of officers sanctioned by His Highness the Maharaja, I beg to state as follows:-

The main object of the ^{insertion} coupling of the condition that compassionate gratuity will be paid in the form of annuities was to prevent dissipation of the money by the heirs of the deceased officers.

In the scheme sanctioned by Government in the order of 12th October 1928, a minimum period of 10 years has been prescribed for payment of annuities. It was considered hardly worth while to insist upon annuity payments in the case of very small amounts.

For securing a monthly payment of Rs 5/- for a period of 10 years the capital sum to be advanced will be a little less than Rs 500/-. A minimum limit of Rs 500/- was accordingly proposed for disbursing the compassionate gratuity in the form of annuity payments.

For the like reason it seems unnecessary to impose ^{in all cases} any higher minimum than 10 years for converting the gratuity into periodical payments as with the spreading over of the payments during a longer period than 10 years gratuities ^{not} amounting ^{much} to over Rs 500/- would ~~in some cases~~ fetch a monthly income of less than Rs 5/-

I am not sure that the Government officers who have to deal with the claims for compassionate gratuity will ^{after all} be in a better position than the

Serial
No.

claimants to appreciate their needs.

The maximum gratuity admissible in any case is Rs 10,000/- and the amount payable monthly even when the minimum period of ten years is elected, is about Rs 100/- only, which is not after all a heavy periodical payment having regard to the high cost of living.

In the circumstances it is not necessary to lay down any further restrictions in the Government Order.

A draft Order is put up for consideration.

h
12-3-42

First Member.)

Dewan.

I agree with the Financial Secretary.

The Scheme of Income Policies fixes a minimum limit of ten years which, I think, is adequate. With this minimum, ~~I think~~ ^{the option to elect} it is best to leave to the beneficiaries the period during which they desire to have the annuities disbursed to them.

I think it is desirable to give immediate effect to the Scheme. There is no particular object in keeping ^{the} ~~a~~ sanctioned measure in abeyance till 1st July 1942 next. I do not think that the additional expenditure ^{on this account} in the current year will be large and the few cases of officers dying in harness or pensioners ^{dying} soon after ~~their~~ retirement, may not be refused relief

DEWAN'S OFFICE
14.4.42
No. 4104

K

2148

U 9
App. F. III-2]

General and Revenue
Secretariat.

File No.

of 192 .

Serial
No.

after the Scheme itself is sanctioned.

will
14.3.29
The file may be sent to the P.S.
unofficially for favour of any further
observations he may wish to make.

Mr
15/3
To the Private Secretary with
Compliments -

No. 2148
No. 48-19.3.29

2
18.3.29
AD
Returned with compliments.

If the minimum of 10 years applies, the criticism which I have made is entirely met. I venture to think, however, that para 8 of the Order is still open to misconstruction. As drafted it runs that, if the amount of the compassionate gratuity is Rs.500/- or more, it will be converted into an income policy according to the scheme sanctioned in G.O.No.F1. 2964-5/G.F.197-27-6, dated the 10/12th October 1928, the term of the annuity payable being left to the option of the payee. The last clause reads as if it were intended to be a modification of the scheme included in the Government Order, or in other words to abrogate the 10 years minimum in favour of the option of the payee. It was because I understood it in that sense, that I raised the question.

Camp. Fordhill
NOTE—Contn. Sheet.

Mr C. 26/4/22 7/29

WD 01714—GPB—30,000—18-4-28

Private Secretary
22-3-1929

To the Financial Secretary with compliments,

2148

App. F. III-21

General and Revenue
Secretariat.

File No.

of 192

Serial
No.

I think it will be
better to retain this
with the addition

"Subject however, to
the condition that
the term elected should
not be less than
ten years"

Muk

Addition
made in
the draft-

5859

DEWAN'S OFFICE

27 MAR. 1929

No. 4377

NOTE—Contn. sheet.

In view of what the Private Secy has stated
above, the phrase - 'the term of the annuity
payable being left to the option of the payee' -
in clause 8 of the draft - may be cut out -

The scheme provides for the issue of
policies for ~~24~~ varying periods from 10 years
minimum to a maximum of 20 years and in
the absence of any restriction clause, the
provisions in the sanctioned scheme will
be in operation and may be availed
of by the claimants.

If any further points may be made
clear in the rule, in due course.

May the draft issue, slightly
amended as suggested above?

1st member
Dewan

24-3-29

Asst.

Muk

26-3-29

Muk

Secy member

28-3-29

Imm

30/3

Issued. No. F.L. 7418-77 of 3-4-29
Sanctions the introduction of a
provisional scheme for the grant
of Compassionate Gratuity to the families
of deceased officers.

WD 0324-GPB-60,000-24-5-27

8-4-29

SHA 252. 28. 1

D 1557

Ch

THE MYSORE CIVIL SERVICES ASSOCIATION.

Public Offices,

Bangalore, 11th APRIL 1927.

12

To

N. Madhava Rao, Esq., B.A., B.L2,

Chief Secretary to Government,

B A N G A L O R E.

S i r,

On behalf of the Managing Committee of the Mysore Civil Services Association I have the honour to request you to be good enough to obtain the permission of Government for a combined deputation of certain Services in the State waiting upon Government to urge the need for a scheme for a Provident Fund in lieu of a part of the pension of employees of Government. The deaths of several officers of Government on the verge of retirement that have occurred ^{recently} have made the Services think seriously of the necessity for providing for some competence for the dependents of persons who die when their pension is almost earned or soon after retirement. The Mysore Civil Services Association, The Mysore Forest Association, The Mysore Secondary School Teachers League and The Mysore Engineers Association have therefore agreed after mutual consultation, that a joint deputation of their representatives should wait upon Government and urge the need for some speedy decision in the matter. I enclose herewith a brief memo of the facts and considerations which the deputation wish to submit to Government. As the

question is of great urgency and importance, I am to request that an early date may be fixed for Government receiving the deputation. Requesting the favour of early and favourable orders on this communication,

I have the honour to be,

S i r,

Your most obedient servant,

M. Venkatesa Murthy

Honorary Secretary,

M.C.S. Association.

53

Memo regarding a Provident Fund Scheme in lieu of
a part of pension for the benefit of
Servants of Government.

There have recently been many deaths among the higher officers in the service of Government just about the time of retirement or soon after, e.g., the deaths of Messrs Ananda Rao Sirsi, M. G. Krishnaswamy Rao, B.Venkoba Rao, K.Ramaswamy Iyengar and Zahiruddin Mecci. There must be quite a large number of such deaths among the subordinate services though we do not hear about them. In the case of such persons dying after long service or soon after retirement the family is often left destitute. The pension which was almost in the hand after long service and which would partly have helped to maintain the family is altogether denied to the family if the officer dies. There is need, therefore, for some scheme for giving to each employee some amount that will serve as a provision for dependents in such cases. It may be said that there is the Life Insurance scheme for such cases. The advantages of Life Insurance are common to all officers but the special feature in the unfortunate class of cases we refer to is the sudden and calamitous loss of the pension which seemed almost within reach - and for this the life insurance which would in any case have come is no compensation, and what is desired is that there should be some payment in lieu of the pension earned but not received. Only a Provident Fund Scheme can furnish

some sort of reparation in such cases. We do not however propose the wholesale substitution of a Provident Fund for pension as to which opinion is likely to be rather divided. The arrangement most likely to be acceptable to all concerned is that of combining the present pension system with^a contributory Provident Fund system. The need for a scheme with this object was urged upon the Government of India some years ago. The scheme that the Services would propose for the State is as follows:-

A contributory Provident Fund may be established by Government to which Government will contribute a sum equivalent to one anna in every rupee of the pay of an officer and an equal amount will be required to be contributed by the officer concerned. Subscription to the scheme may be compulsory in the case of all future employees. To officers already in the service option will be given to elect finally, at the time the Fund is created, to subscribe to the Fund or not. (Those electing to subscribe to the Fund will however not be required to pay contribution for past years of service as this will cause inconvenience. Only the Government's share of the contribution for past years will be credited into the Fund in such cases and the contribution by the officer will begin from the time of subscription to the Fund.) The Fund will carry interest at 5 per cent per annum compounded. In consideration of Government giving one anna in the rupee to the Provident Fund, the officer will give up one-third of the pension that he would be entitled to

55

get under existing rules. The amount accumulating in the Provident Fund will be handed over to the officer himself on retirement or to his heirs in case of his death prior to retirement.

Calculations show that the scheme can be brought into effect immediately with very little extra cost to Government. It appears also that the arrangement would eventually be as much to the advantage of Government as of its servants. The payments in the case of lower services will be a little in excess of the capitalized value of the pensions they give up but the bonus in the case of the higher officers will be a little less. Detailed figures will be submitted when the deputation wait upon Government.

M. Venkatesaiah

12/4/17.

4th June

7.

20.3852
CB

Dear Mr. Rama Rao,

It is understood that there is a proposal before the Government of India to institute a scheme of Provident Fund in Partial substitution of the Pension system. Could you kindly let me know whether this is a fact and if so whether any orders are likely to be passed on the question in the near future?

Yours sincerely,

[Signature]

Chief Secretary to Govt.

To

B. Rama Rao, Esqr., I.C.S.,
Deputy Secretary to the Govt. of India,
Finance Department, S i m l a.

Submitted to Dewan

h
21.6.27

DEWAN'S OFFICE.
Received on
22. JUN. 1927
Reg No. <u>9924</u>

8851
28/6/27

To chief clerk with enclosures

28/6
seen & noted
23/6

D/O No. 2531 SE.

Finance Department,
Simla, the 15th June 1927.

C.B. 1941.

Dear Madhava Rau,

Your D.O. No. 3852/C.B dated 4th June 1927 regarding the substitution of a Provident Fund for the pension system. The question has been under the consideration of the Government of India for some time and the Government ^{Actuary} ~~actually~~ is now scrutinising the scheme. I am afraid it is not possible for me to say when orders will be passed on the proposal, because Local Governments will have to be consulted in the matter.

Yours sincerely,

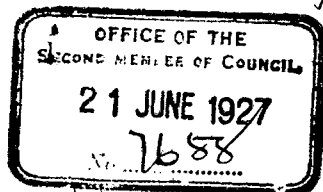
T.B. Rama Rau

M. Madhava Rau, Esq.,

Chief Secretary to the Government of Mysore,
Bangalore.

Forwarded with compliments to the

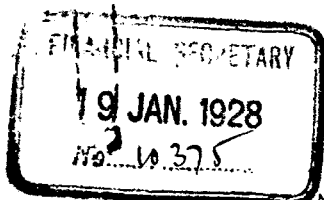
Shall we wait a
little up the question?



Integ.

may
20/6

2nd member)
I think it's better to wait until the
Gr. D. Scheme is settled
21-6-27



*To Mr. Secretary
Compliments
18/1*

2 D 3316

The Mysore Civil Services Association.

Dated, Bangalore, 18th January, 1928

SJA 28-2-28-2

To

N. Madhava Rao, Esq., B.A., B.L.,

Chief Secretary to Government,

BANGALORE.

*Dewan's instructions in
Council yesterday.*

Case may be Sir,

*worked up and
submitted for
consideration.*

A/S. Fin.

will kindly be

kindly note

made in the

line indicated

with the help of

Mr. B. Raghavendra

Rao. S.H.O.

who has submitted

the subject - h

19.1.28.

At

I am desired by the managing Committee of the Association to invite your attention to the representation made by the Association in my letter dated 11th April 1927 and by the joint deputation of the representatives of the several service Associations in the State to the Dewan on the 28th May 1927 requesting that Government be pleased to constitute a Provident Fund for Government servants in lieu of a part of their pensions. Government have not been pleased to pass any order on the representation so far. The Committee of this Association consider that the matter requires urgent attention as cases of officers dying in harness have become frequent. The case of Mr. M. G. Sreenivasa Rao, Professor of the Central College, who died the day before yesterday is one in point. I am, therefore, to request you to obtain early orders of Government on the representation made by the Association.

I have the honour to be,

S i r,

Your most obedient servant,

M. Venkatesa Iyengar
Honorary Secretary.

no. 3381

The Mysore Non-Gazetted Officers' Association, Bangalore.

23rd January 1928.

From

The Honorary Secretary

Mysore Non-Gazetted Officers' Association,
Bangalore.

To

Mr. Srinivasa Iyengar, Esq., B.A.B.L.,

Financial Secretary to Government.

Sir,

With reference to the promise made by Government to the deputation from the Services in reply to their prayer for the substitution of Provident fund in lieu of a portion of pension, I am directed to request that Government may be graciously pleased to pass early orders on the scheme submitted by the Services.

I have the honour to be,

Sir,

Your most obedient servant,

M. K. Ramana

Honorary Secretary,

Non-Gazetted Officers' Association
Bangalore.

No. J.2387/28-29.

OFFICE OF THE REVENUE COMMISSIONER
IN MYSORE,

Dated, Bangalore, 29th November 1928.

FROM

P. G. D'SOUZA, ESQ., B.A., B.L.,
Revenue Commissioner in Mysore.

L. J. 1/24

To

The Chief Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

J 2381
S & A 252.28.3 H

SIR,

I have the honour to forward herewith copy of letter dated the 24th November 1928 from the Hon: Secretary, Mysore Non-Gazetted Officers' Association, Bangalore, re the grant of Provident Fund to the employees of Government, in lieu of a portion of pension and pending sanction of the Scheme to grant to the families of Officers dying in harness or after retirement, gratuities equivalent to one month's pay for every year of their service, and to state that the hardships complained of are serious. Both on humanitarian grounds and grounds of efficiency, the Scheme already submitted will, in my opinion, be equally advantageous to the interests of Government work. I therefore recommend that the representation put forward may be favourably considered by Government.

GENL. & REV. SECTT.
5 DEC. 1928
FINANCIAL BRANCH.

I have the honour to be,

Sir,

Your most obedient servant,

Subd: The main file re Pension vs Provident Fund is before Council.

Subd: for orders as regards the request at A above.

32.

W. J. 1/24
6/12/28

J. Green) M. 12
6/12/28

Refers to
Revenue Commissioner.

CHIEF SECRETARY
8 DEC. 1928

To Chief Secy in the Compliments

2.12.28
M. J. 1/24

Letter dated 24th November 1928, from the Honorary Secretary, Mysore Non-Gazetted Officers' Association, Bangalore, to the Revenue Commissioner in Mysore.

172
You were pleased to lead a deputation of the representatives of the Civil Service Association, the Non-Gazetted Officers' Association, the Accountant's Association, the Engineers' Association etc., to the Dewan on the 28th May 1927, organised to place before Government a scheme of Provident Fund for the benefit of the employees of Government in lieu of a portion of pension. Government promised on the occasion to examine the scheme submitted, and to pass orders at an early date. Looking at the lapse of time since the promise, the Non-Gazetted officers' Association is afraid that the question has been lost sight of. You will be earning the gratitude of the services, particularly of the Non-Gazetted Officers, if you can kindly move the Government to sanction the scheme speedily.

2. You are aware, Sir, that Government have recognised that the present pension system is unsuited to Indian conditions and intend substituting provident fund in the long run. But in the meantime, want of any provision in the Mysore Service Regulations for the families of officers dying in harness or soon after retirement, has been causing them severe hardship. I append in the margin the number of officers who died in harness during the past ten years. Not a week passes in

During.		No. of officers that died in harness.	}	in which a few deaths of Government servants in harness are not re- ported. The families of most of them are left destitute and thrown a burden on public charity.
1918-19.	...	226	}	
1919-20.	...	206		
1920-21.	...	124		
1921-22.	...	134		
1922-23.	...	129		
1923-24.	...	167		
1924-25.	...	141		
1925-26.	...	129		
1926-27.	...	148		
1927-28.	...	137		
Total...		1535	}	

3. In the circumstances, the Non-Gazetted Officers' Association respectfully requests you, Sir, kindly to move Government to grant to the families of officers dying in harness or soon afterwards, gratuities equivalent to one month's pay for every year of their service, in case there is any delay on the part of Government in giving

87A 252.28.4

ab

Proceedings of the Government of His Highness
the Maharaja of Mysore.

R e a d.-

Letter dated 12th April 1927 from the Honorary Secretary of the Mysore Civil Services Association representing the need for the introduction of a scheme of Provident Fund with reduced pension rights for the benefit of pensionable employees.

2. Letter No. C. 2367/28-29 dated 29th November 1928 from the Revenue Commissioner submitting for favourable consideration a further representation on the above subject dated 24th November 1928 from the Honorary Secretary, Mysore Non-Gazetted Officers' Association and supporting the prayer of the Association that pending sanction of the general scheme, relief may be granted to the families of officers dying in harness or soon after retirement by payment of a compassionate gratuity equivalent to one month's pay for every year of service rendered.

Order thereon. No. *H7418-77* dated *3.4.29*

Under the existing Pension Regulations (vide art. 241 M.S.R.), Government recognise no claim by a widow on account of the services rendered by her husband and there is no provision made in the rules for relief to the family, of a Government servant ^{who} ~~happens to~~ die in harness, ^{wh a time is long 14-17} ~~however long the~~ service rendered by him.

BK-9
11/6/29

Instances have come to notice where, on the extinguishment of the contingent pensionary

right by death of ^athe Government servant, his dependents are often left in straitened circumstances, and it is felt that this defect in the rules should be remedied, and some provision should be made for the grant of relief to the heirs of pensionable Government servants, who die before obtaining their pension or enjoying it sufficiently long.

A deputation representing the Civil Services and the Non Gazetted Officers' Association waited on the Dewan in May 1927, and pressed on the attention of Government the desirability of introducing a Provident Fund Scheme combined with reduced pension privileges.

The substitution, partially or wholly for the existing system of pensions of ~~one of~~ Provident Funds ^{complex} is a problem of some complexity, and ~~the~~ Government consider that it is not possible to attempt its solution without ^aproper actuarial advice. The same question has been under the consideration of the Government of ^{the} India for some years past and the solution that ^{has been} ~~may be arrived at by that Government will be of~~ ^{has been} ~~help in the matter of~~ altering the pension system in Mysore.

At the same time, there is ~~an~~ urgent need for affording some relief to the families of pensionable employees whose ~~pension earning~~ service ~~goes for nothing or yields~~ ^{small} no proportionate ^{return}.

Government are accordingly pleased to sanction the following provisional scheme of ^{grant of} compassionate gratuity to the families of deceased officers:-

1. The minimum service for grant of compassionate

compassionate gratuity will be 5 years qualifying service.

2. For qualifying service of 5 years and above compassionate gratuity will be calculated at the rate of one month's pay for each year of approved service, based on that drawn in June of each year.

3. Service, whether on the superior or inferior scale, counts equally for the calculation of compassionate gratuity.

4. The maximum qualifying service for which compassionate gratuity will be payable is limited to 30 years.

5. The maximum monthly pay for calculation of compassionate gratuity is fixed at Rs 1,000/-

6. The maximum amount of compassionate gratuity payable to the family of a deceased officer will in no case exceed Rs 10,000/-

7. The benefit of this scheme will be extended to ^{the case of} ~~the case of~~ a deceased pensioner ^{when} ~~in which~~ the aggregate pension drawn by him plus the commuted value if any, of the ^{admissible} pension is less than the compassionate gratuity ^{admissible} under these rules, had he died on the date of retirement. In such a case, the excess of the compassionate gratuity over the pension (including the commutation value, if any,) drawn will be paid to the family of the deceased pensioner.

8. If the amount of a compassionate gratuity is less than Rs 500/- it will be paid in one instalment and if it is Rs 500/- or more, it will be converted into an Income Policy, according to the Scheme sanctioned in G.O.No.

Fl.2964-5 dated 10-12th October 1928, the
G.F.192-27-6

vide note for order
KA *E* *may be limited*
h

65

term of the annuity payable being left to the option of the payee ~~for~~

however
subject to the
condition that
the term should
not be less
than ten years.
h

9. This order will have effect from 1st July 1929.

~~10.~~ Article 241 M.S.R. will be abrogated.

~~11.~~ ^{D.} The detailed rules of procedure for working the scheme sanctioned in this order, are appended.

h
13/8/29

Financial Secretary to Government.

To

The Comptroller.

The Secretaries to Government.

The Heads of Departments.

The Deputy Commissioners of Districts.

11

Rules for administering the scheme of the grant of compassionate gratuity to the families of pensionable employees who die in harness or soon after retirement sanctioned in G.O.No.....
.....dated.....

CONDITIONS OF GRANT.

1. The minimum service for grant of compassionate gratuity will be 5 years qualifying service
2. For qualifying service of 5 years and above compassionate gratuity will be calculated at the rate of one month's pay for each year of approved service, based on that drawn in June of each year.
3. Service whether on the superior or inferior scale counts equally for the calculation of compassionate gratuity.
4. The maximum qualifying service for which compassionate gratuity will be payable is limited to 30 years.
5. The maximum monthly pay for calculation of compassionate gratuity is fixed at Rs 1,000/-
6. The maximum amount of compassionate gratuity payable to the family of a deceased officer will in no case exceed Rs 10,000/-.

PROCEDURE FOR PREFERRING APPLICATIONS.

7. In the event of ^apensionable officers dying before retirement, the application for the grant of compassionate gratuity under the rules should be prepared by the head of the office concerned in accordance with the rules prescribed for pension applications mutatis mutandis and it will be submitted by him through his official superior and the Audit Officer to Government with a report

embodiment the result of the enquiry ^{a. k. S. S. S.} into the condition of the heirs of the deceased.

8. A statement in the following form should accompany the application.

Application for compassionate gratuity for the family of late died while in service.

Submitted by the

Description of deceased.

Name.

Occupation and service.

Length of qualifying service.

Last pay.

Description of heirs and dependents.

Description of claimant.

Name and residence.

Age.

Height.

Caste, race or tribe.

Marks for identification.

Present occupation and pecuniary circumstances.

Degree of relationship to deceased.

Result of enquiry into the title of the claimant, to be noted briefly.

Amount of compassionate gratuity admissible. (Details of calculation to be specified).

Method of payment,

(a) in one instalment or

(b) by means of annuities *conversion*

Place of payment. *to an Income Policy according to the scheme*

Remarks.

*Sanctioned in G.O. No. FR 12/64-5
12th Oct 12*

Place.

Signature of Head of Office.

Date.

9. In cases in which the aggregate pension plus the commuted value, if any, drawn by ^a retired officers ^{he} is less than the gratuity admissible under these rules, had ~~they~~ ^{he} died ^{on the date of} just before retirement, the excess of gratuity over the pension ^{+ commuted value} drawn will become payable to the ^{heirs} family of the deceased officers.

10. ~~Claims~~ ^{Applications by heirs} by the families of deceased pensioners should ~~be preferred by them~~ ^{They may be} furnishing particulars in the form prescribed above ~~and~~ submitted to Govt. direct who will forward the application ~~if~~ in order to the Head of the Department concerned for investigation and report through the Audit Officer.

11. For facilitating the ^{prompt} disposal of applications for compassionate gratuity ^{promptly}, the Comptroller will in future have the amount of compassionate gratuity admissible under these rules at retirement of each pensioned officer, calculated at the time of the disposal of his pension application.

12. Instructions ^{will be issued by the Comptroller} should ~~also issue~~ for entering the June pay of each year of each officer in the annual schedule of establishments.

13. For determining the rightful claimant to ~~the~~ compassionate gratuity admissible under the rules the procedure laid down in article 530 M.S.R. should as far as possible be followed.

14. The grant of compassionate gratuity under the rules is entirely within the discretion of Govt, who reserve to themselves full liberty to modify ~~or rescind~~ the rules at any time.

determine the mode of payment, and

Financial Secretary to Government.

and Government consider that it is not possible to attempt its solution without a proper actuarial advice. The same question has been under the consideration of the Government of India for some years past and their decision will be awaited before attempting to alter the pension system in Mysore.

At the same time, there is urgent need for affording some relief to the families of pensionable employees, whose service yields no pensionary return or yields only a proportionately small return.

Government are accordingly pleased to sanction the following provisional scheme for the grant of compassionate gratuity to the families of deceased officers:-

1. The minimum service for grant of compassionate gratuity will be five years qualifying service.

2. For qualifying service of five years and above, compassionate gratuity will be calculated at the rate of one month's pay for each year of approved service, based on that drawn in June of each year.

3. Service, whether on the superior or inferior scale, counts equally for the calculation of compassionate gratuity.

4. The maximum qualifying service for which compassionate gratuity will be payable is limited to 30 years.

5. The maximum monthly pay for calculation of compassionate gratuity is fixed at Rs.1,000.

6. The maximum amount of compassionate gratuity payable to the family of a deceased officer will in no case exceed Rs.10,000.

7. The benefit of this scheme will be extended to the case of a deceased pensioner when the aggregate pension drawn by him plus the commuted value if any, of the pension commuted is less than the compassionate gratuity admissible under these rules, had he died on the date of retirement. In such a case, the excess of the compassionate gratuity over the pension (including the commutation value if any), drawn will be paid to the family of the deceased pensioner.

8. If the amount of a compassionate gratuity is less than Rs.500, it will be paid in one instalment, and if it is Rs.500 or more, it will be converted into an Income Policy, according to the scheme sanctioned in Government Order No. FI.2964-5/G.F.192-27-6, dated 10th/12th October 1928, the term of the annuity payable being left to the option of the payee subject, however, to the condition that the term elected, should not be less than ten years.

Article 241, Mysore Service Regulation, will be abrogated. Detailed rules of procedure for working the scheme, sanctioned in this order, are appended.

B. SRINIVASA IYENGAR,

Secretary to Government, Financial Department.

To--The Comptroller to the Government of Mysore.

The Secretaries to Government.

The Heads of Departments.

The Deputy Commissioners of Districts.

S. O.

**Government of His Highness the Maharaja
of Mysore.**

FINANCIAL SECRETARIAT

G. O. No. Fl. 7418-77/S. & A. 252-28-4 Dated Bangalore the 1st-3rd April 1929.

Compassionate Gratuity

Introduction of a provisional scheme for grant of——to the families of deceased officers.

Read:—

Letter dated 12th April 1927, from the Honorary Secretary of the Mysore Civil Services Association representing the need for the introduction of a scheme of Provident Fund with reduced pension rights for the benefit of pensionable employees.

2. Letter No. C.2387/27 S. & A. dated 29th November 1928, from the Revenue Commissioner, submitting for favourable consideration a further representation on the above subject dated 24th November 1928, from the Honorary Secretary, Mysore Non-Gazetted Officers' Association and supporting the prayer of the Association that pending sanction of the general scheme, relief may be granted to the families of officers dying in harness or soon after retirement by payment of a compassionate gratuity equivalent to one month's pay for every year of service rendered.

ORDER NO. FL. 7418-77/S. & A. 252-28-4 DATED 1ST/3RD APRIL 1929.

Under the existing Pension Regulations (vide Article 241, Mysore Service Regulation), Government recognise no claim by a widow on account of the services rendered by her husband, and there is no provision made in the rules for relief to the family of a Government servant who dies in harness, whatever the length of service rendered by him.

Instances have come to notice where, on the extinction of the contingent pensionary right by death of a Government servant, his dependents are often left in straitened circumstances, and it is felt that this defect in the rules should be remedied, and some provision should be made for the grant of relief to the heirs of pensionable Government servants, who die before obtaining their pension or enjoying it sufficiently long.

A deputation representing the Civil Services and the Non-Gazetted Officers' Associations waited on the Dewan in May 1927, and pressed on the attention of Government the desirability of introducing a Provident Fund Scheme combined with reduced pension privileges.

The substitution, partially or wholly, of a Provident Fund for the existing system of pensions is a complex problem

Rules for administering the scheme of the grant of compassionate gratuity to the families of pensionable employees who die in harness or soon after retirement sanctioned in Government Order No. Fl. 7418-77/S. A. 252-28-4, dated 1st/3rd April 1929.

CONDITIONS OF GRANT.

1. The minimum service for grant of compassionate gratuity will be five years qualifying service.

2. For qualifying service of five years and above compassionate gratuity will be calculated at the rate of one month's pay for each year of approved service, based on that drawn in June of each year.

3. Service whether on the superior or inferior scale counts equally for the calculation of compassionate gratuity.

4. The maximum qualifying service for which compassionate gratuity will be payable is limited to 30 years.

5. The maximum monthly pay for calculation of compassionate gratuity is fixed at Rs.1,000.

6. The maximum amount of compassionate gratuity payable to the family of a deceased officer will in no case exceed Rs.10,000.

PROCEDURE FOR PREFERRING APPLICATIONS.

7. In the event of a pensionable officer dying before retirement, the application for the grant of compassionate gratuity under the rules should be prepared by the head of the office concerned in accordance with the rules prescribed for pension applications *mutatis mutandis* and it will be submitted by him through his official superior and the Audit Officer to Government with a report embodying the result of the enquiry as to who are the heirs of the deceased.

8. A statement in the following form should accompany the application:--

Application for compassionate gratuity for the family of _____ late _____ died while in service.

Submitted by the _____

Description of deceased.--

Name.

Occupation and service.

Length of qualifying service.

Last Pay.

Description of heirs and dependents.

Description of claimant.

Name and residence.

Age.

Height.

Caste, race or tribe.

Marks for identification.

Present occupation and pecuniary circumstances.

Degree of relationship to deceased.

Result of enquiry into the title of the claimant, to be noted briefly.

Amount of compassionate gratuity admissible.

(Details of calculation to be specified.)

Method of payment,

(a) in one instalment or

(b) by conversion to an Income Policy according to the scheme sanctioned in Government Order No. Fl.2964-5/G.F.192-27-6, dated 12th October 1928.

Place of payment.

Remarks.

Place.

Signature of Head of Office.

Date.

9. In case in which the aggregate pension plus the commuted value, if any, drawn by a retired officer is less than the gratuity admissible under these rules, had he died just on the date of retirement, the excess of gratuity over the pension and commuted value drawn will become payable to the heirs of the deceased officer.

10. Applications preferred by the heirs of deceased pensioners should furnish particulars in the form prescribed above. They may be submitted to Government direct who will forward the application if in order to the Head of the Department concerned for investigation and report through the Audit Officer.

11. For facilitating the prompt disposal of applications for compassionate gratuity, the Comptroller will in future have the amount of compassionate gratuity admissible under these rules at retirement of each pensioned officer, calculated at the time of the disposal of his pension application.

12. Instructions will be issued by the Comptroller for entering the June pay of each year of each officer in the annual schedules of establishments.

13. For determining the rightful claimant to the compassionate gratuity admissible under the rules the procedure laid down in Article 530, Mysore Service Regulation, should as far as possible be followed.

14. The grant of compassionate gratuity under the rules is entirely within the discretion of Government, who reserve to themselves full liberty to modify the rules at any time.

/ PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

Lead:—

Letter ~~xx~~ dated 12th April 1927 from the Honorary Secretary of the Mysore Civil Services Association representing the need for the introduction of a scheme of Provident Fund with reduced pension rights for the benefit of pensionable employees.

2. Letter No.C.2387/28-29 dated 29th November 1928 from the Revenue Commissioner submitting for favourable consideration a further representation on the above subject dated 24th November 1928 from the Honorary Secretary, Mysore Non-Gazetted Officers' Association and supporting the prayer of the Association that pending sanction of the general scheme, relief may be granted to the families of officers dying in harness or soon after retirement by payment of a compassionate gratuity equivalent to one month's pay for every year of service rendered.

---:O:---

ORDER NO. FL. 7418-77 / 59 A 252-28-4

Dated, Bangalore, the 1st April 1929.

Under the existing Pension Regulations (vide article 241, Mysore Service Regulation), Government recognise no claim by a widow on account of the services rendered by her husband, and there is no provision made in the rules for relief to the family of a Government servant who dies in harness, whatever the length of service rendered by him.

Instances have come to notice where, on the extinction of the contingent pensionary right by death of a Government servant, his dependents are often left in straitened circumstances, and it is felt that this defect in the rules should be remedied, and some provision should be made for the grant of relief to the heirs of pensionable Government servants, who die before obtaining their pension or enjoying it sufficiently long.

A deputation representing the Civil Services and the Non-

Cazetted Officers' Associations waited on the Dewan in May 1927, and pressed on the attention of Government the desirability of introducing a Provident Fund Scheme combined with reduced pension privileges.

The substitution, partially or wholly, of a Provident Fund for the existing system of pensions is a complex problem and Government consider that it is not possible to attempt its solution without a proper actuarial advice. The same question has been under the consideration of the Government of India for some years past and their decision will be awaited ~~xxx~~ before attempting to alter the pension system in Mysore.

At the same time, there is urgent need for affording some relief to the families of pensionable employees, whose service yields no pensionary return or yields only a proportionately small return.

Government are accordingly pleased to sanction the following provisional scheme for the grant of compassionate gratuity to the families of deceased officers:--

1. The minimum service for grant of compassionate gratuity will be 5 years qualifying service.
2. For qualifying service of 5 years and above, compassionate gratuity will be calculated at the rate of one month's pay for each year of approved service, based on that drawn in June of each year.
3. Service, whether on the superior or inferior scale, counts equally for the calculation of compassionate gratuity.
4. The maximum qualifying service for which compassionate gratuity will be payable is limited to 30 years.
5. The maximum monthly pay for calculation of compassionate gratuity is fixed at Rs.1,000/-.
6. The maximum amount of compassionate gratuity payable to the family of a deceased officer will in no case exceed Rs.10,000.
7. The benefit of this scheme will be extended to the case of a deceased pensioner when the aggregate pension drawn by him

plus the commuted value if any, of the pension commuted is less than the compassionate gratuity admissible under these rules, had he died on the date of retirement. In such a case, the excess of the compassionate gratuity over the pension (including the commutation value, if any), drawn will be paid to the family of the deceased pensioner.

8. If the amount of a compassionate gratuity is less than Rs.500/- it will be paid in one instalment, and if it is Rs.500/- or more, it will be converted into an Income Policy, according to the scheme sanctioned in G.O.No.F1.2964-5/G.P.192-27-6 dated 10-12th October 1928 the term of the annuity payable being left to the option of the payee subject, however, to the condition that the term elected, should not be less than ten years.

Article 241, Mysore Service Regulation, will be abrogated.

The Detailed rules of procedure for working the scheme, sanctioned in this order, are appended.



For Financial Secretary to Government.

To

M
2.4.29.

The Comptroller to the Government of Mysore.

The Secretaries to Government.

The Heads of Departments.

The Deputy Commissioners of Districts.

Rules for administering the scheme of the grant of compassionate gratuity to the families of pensionable employees who die in harness or soon after retirement sanctioned in G.O.No.

dated

---:0:---

CONDITIONS OF GRANT.

1. The minimum service for grant of compassionate gratuity will be 5 years qualifying service.
2. For qualifying service of 5 years and above compassionate gratuity will be calculated at the rate of one month's pay for each year of approved service, based on that drawn in June of each year.
3. Service whether on the superior or inferior scale counts equally for the calculation of compassionate gratuity.
4. The maximum qualifying service for which compassionate gratuity will be payable is limited to 30 years.
5. The maximum monthly pay for calculation of compassionate gratuity is fixed at Rs.1,000/-.
6. The maximum amount of compassionate gratuity payable to the family of a deceased officer will in no case exceed Rs.10,000.

PROCEDURE FOR PREFERRING APPLICATIONS.

7. In the event of a pensionable officer dying before retirement, the application for the grant of compassionate gratuity under the rules should be prepared by the head of the office concerned in accordance with the rules prescribed for pension applications mutatis mutandis and it will be submitted by him through his official superior and the Audit Officer to Government with a report embodying the result of the enquiry as to who are the heirs of the deceased.
8. A statement in the following form should accompany the application.

Application for compassionate gratuity for the family of

..... late.....
..... died while in service.

Submitted by the.....

Description of deceased.

Name.

Occupation and service.

Length of qualifying service.

Last pay.

Description of heirs and dependents.

Description of claimant.

Name and residence.

Age.

Height.

Caste, race or tribe.

Marks for identification.

Present occupation and pecuniary circumstances.

Degree of relationship to deceased.

Result of enquiry into the title of the
claimant, to be noted briefly.

Amount of compassionate gratuity admissible.
(Details of calculation to be specified).

Method of payment,
(a) in one instalment or
(b) by conversion to an Income policy according
to the scheme sanctioned in G.O.No.Fl.
2964-5/G.F.192-27-6 dated 12th October 1928.

Place of payment.

Remarks.

Place.

Signature of Head of Office.

Date.

9. In cases in which the aggregate pension plus the commuted value, if any, drawn by a retired officer is less than the gratuity admissible under these rules, had he died just on the date of retirement, the excess of gratuity over the pension and commuted value drawn will become payable to the heirs of the deceased officer.

10. Applications preferred by the heirs of deceased pensioners should furnish particulars in the form prescribed above. They may be submitted to Government direct who will forward the application if in order to the Head of the Department concerned for investigation and report through the Audit Officer.

11. For facilitating the prompt disposal of applications for compassionate gratuity, the Comptroller will in future have the amount of compassionate gratuity admissible under these rules at retirement of each pensioned officer, calculated at the time of the disposal of his pension application.

12. Instructions will be issued by the Comptroller for entering the June pay of each year of each officer in the annual schedules of establishments.

13. For determining the rightful claimant to the compassionate gratuity admissible under the rules the procedure laid down in article 530 Mysore Service Regulation, should as far as possible be followed.

14. The grant of compassionate gratuity under the rules is entirely within the discretion of Government, who reserve to themselves full liberty to modify the rules at any time.



For Financial Secretary to Government.

M
2.4.29

K. T. SUNDARARAJAIENGAR,



THE IMPERIAL BANK OF INDIA

EMPLOYEES'
PROVIDENT FUND.

RULES.

K. T. SUNDARARAJAIENGAR,

THE IMPERIAL BANK OF INDIA Employees' Provident Fund.

RULES.

1. The Fund shall be called "THE IMPERIAL BANK OF INDIA EMPLOYEES' PROVIDENT FUND."

2. In these Rules unless there is something repugnant in the subject or context :—

"THE BANK" means the Imperial Bank of India.

"MEMBER" means any person in the service of the Bank who is also a subscriber to the Fund.

"SALARY" means substantive pay plus personal and acting allowances, if any, received by each employee from the Bank, but does not include any other allowance, or any bonus, commission or other remuneration or profit whatever.

3. The Trustees of the Fund shall be the Governors of the Bank together with three members of the Fund to be nominated by the Governors. The three members to be thus nominated must each and all of them be employees of the Bank serving under different Local Head Offices.

4. The object of the Fund shall be to provide every employee who is a member with a sum of money, the amount of which will be ascertained according to these Rules, on the termination of his service with the Bank.

5. These Rules shall be deemed to have come into operation on the 1st December 1922.

6. At every Meeting of the Trustees one of their number shall be elected Chairman of the Meeting. The presence

of at least five Trustees, of whom two shall be Executive Officers of the Bank, shall be necessary to form a quorum for the transaction of business. Each Trustee shall have one vote and in all cases of an equal division the Chairman shall have a casting vote.

7. The Trustees may appoint a Committee from their number, of whom at least one shall be an Executive Officer of the Bank, to carry on the ordinary business of the Fund including the sanctioning of payments to members. Three Trustees shall form a quorum of the Committee.

8. The Trustees may at any time propose any alteration or alterations in these Rules and with the consent of the majority in number of the subscribers to the Fund for the time being carry such alteration or alterations into effect. Furthermore, without such consent it shall be lawful for the Trustees in their absolute discretion at any time or from time to time to alter, vary, modify, remake, rescind or add to these Rules or any of them as occasion shall require, provided that no such alteration, variation, modification, remaking, rescission or addition shall prejudice the rights of any subscriber with respect to any funds then in the hands of the Trustees.

9. The accounts of the Fund shall be made up yearly as at 31st March and an audited Statement of Affairs as at that date shall be submitted to a Meeting of the Trustees to be held not later than 31st August in every year and a copy of such Statement shall be forwarded annually to each member.

10. It shall be permissible but not compulsory for all employees in the service of the Bank on the date when these Rules shall come into force, who are not members of the Bank of Bengal Provident Fund or members of the Bank of Madras Officers' Provident and Mutual Guarantee Fund, to become members of the Fund.

11. Members of the Bank of Bengal Provident Fund and members of the Bank of Madras Officers' Provident and Mutual Guarantee Fund are not eligible for membership of the Fund.

12. Every Employee who joins the service of the Bank from or after the date on which these Rules shall come into force and whose salary is not less than Rupees 30 per mensem must become a member of the Fund.

13. It shall be optional for employees who join the service of the Bank from or after the date when these Rules shall come into force and whose salaries are less than Rs. 30 per mensem to become members of the Fund, but it shall be compulsory for such employees to join the Fund when their salaries rise to Rs. 30 per mensem or more.

14. Every employee who becomes a member of the Fund must remain a member till such time as he leaves the service of the Bank and must abide by all the Rules of the Fund.

15. Every member shall subscribe towards the Fund in each month a sum equivalent to five per cent. of his monthly salary. Such subscriptions shall be credited to the members' individual accounts in the Books of the Provident Fund and a sum equal to that subscribed by members shall also be subscribed by the Bank monthly and credited to each member's account. During any period in which the salary of any member of the Fund is reduced, such as in the case of absence on leave, his subscriptions and those of the Bank shall be calculated on his full salary. A Pass Book shall be supplied to each member which shall be made up and balanced yearly.

16. All monies of the Fund shall be deposited in the Bank in an account styled "The Trustees of the Imperial Bank of India Employees' Provident Fund" and interest thereon at the rate of five per cent. per annum will be paid by the Bank half-yearly. The account of each member will be credited with interest at that rate half-yearly.

17. The interest of a member in the Fund shall always be subject to a first charge in favour of the Bank for the amount of such member's indebtedness or liability to the Bank on any account or for any reason whatsoever. No amount shall be payable out of the Fund on account of such interest until such indebtedness or liability is discharged or satisfied.

18. If any member shall be dismissed from the service of the Bank for any fault or other cause justifying dismissal, or if he shall leave the service without the consent of the Bank or be guilty of a breach of or non-compliance with these Rules, he shall not be entitled to receive, unless permitted to do so by the Trustees, the sums contributed by the Bank to his Provident Fund account including interest.

19. Any sums which may accrue to the Fund by reason of any forfeitures on the part of any members shall be credited to a separate account and be disposed of for the benefit of the Staff in such manner as the Trustees may decide.

20. When a member resigns or retires from the service of the Bank with the Bank's consent he shall, if he has served the Bank for a period of fifteen years, or more (including service in the Presidency Banks), be entitled to receive the balance at his credit in the Fund.

21. If any member shall cease to serve the Bank before completion of a service of fifteen years with the Bank (including service in the Presidency Banks) he shall be entitled to receive only the amount of his own contributions to the Fund with interest thereon at five per cent. per annum down to the date of his severing his connection with the Bank.

22. No member shall be entitled to receive payment of any share of the contribution of the Bank to the Fund until he shall have served the Bank for a period of fifteen years (including service in the Presidency Banks), notwithstanding that a share thereof may have been credited to his account in the books of the Fund, but the Trustees may in their absolute discretion authorise such payment if a member is compelled to retire before completing fifteen years' service owing to any cause beyond his control.

23. Each member may nominate any one person, who shall have attained his or her majority, to whom the amount standing at the credit of such member shall be payable in the event of his death while in the service of the Bank or before his claim on the Fund shall have been discharged and may from time to time change such nomination.

In the event of the death of the nominee prior to the death of the member and no other person having in the interval been nominated by the member, the amount standing at credit of the member shall be dealt with in accordance with Rule 25.

24. On the death of a member who shall have made a nomination in accordance with Rule 23 the full amount due to him according to these Rules shall be paid without deduction to his nominee irrespective of the period for which the

member may have served and such payment shall be a good discharge to the Trustees against all claims whatsoever in respect of the said Fund by any one whomsoever claiming through the said member or otherwise.

25. On the death of a member, not survived by a nominee under Rule 23, the full amount due to the member according to these Rules shall be paid without deduction to his heirs, executors or administrators, or at the absolute discretion of the Trustees the amount or any part or parts thereof may be paid to the widow, child or children or his/her or their guardian or custodian or other nearest relative of a deceased member or any other person appearing to them to be entitled to receive same without any representation to the Estate of such deceased member or any Succession Certificate being obtained, irrespective of the period for which the member may have served and such payment shall be a good discharge to the Trustees against all claims whatsoever in respect of the said Fund by any one whomsoever claiming through the said deceased member or otherwise.

26. Interest on all monies standing in the books of the Fund to the credit of a member shall cease on the day he leaves the service of the Bank or the day on which he dies, whichever event shall first happen.

27. Save as herein provided with regard to nomination, no member shall be entitled in any way to deal with or transfer by way of security or otherwise his interest or any part thereof in the Fund, and any such transaction or transfer shall be invalid and the Trustees shall not recognise or be bound by any notice to them of any such transaction or transfer and all monies standing in the books of the Fund to the credit of the member so purporting to deal with or transfer his interest therein, as aforesaid, shall forthwith be forfeited as, from the date of such transaction or transfer, to the use of the Fund and be dealt with accordingly. Further, if any prohibitory order or attachment or process of a Civil Court be served upon the Trustees by which any monies standing to the credit of the member shall be attached or ordered to be paid into a Civil Court, or ordered to be withheld from such member, and such attachment or order is not raised or rescinded by the Court, or should such member be adjudged an insolvent or file his petition in insolvency or make any composition or arrangement with his creditors, such monies shall forthwith be forfeited to the use of the

Fund and be dealt with accordingly. Provided always that the Trustees (without being under any legal obligations to do so) may in their absolute discretion if they think fit at any time or times thereafter, give or apply such monies, or any part thereof, to or for the benefit of such member or his wife, children or relatives.

28. Except as is by these Rules expressly provided, no member or any person or persons claiming under or through him shall be entitled to claim payment of any money out of the Fund.

29. The Trustees may make advances to the beneficiary or beneficiaries, of a deceased member's interest in the Fund, where such beneficiaries, or any of them, are in indigent circumstances, in anticipation of the grant of the Probate of the Will or Letters of Administration or other certificate of representation or title to the estate of the deceased, in order to meet funeral or other expenses.

30. Members on leave preparatory to retirement may at their option withdraw up to 90 % of the balances at their credit in the Fund, but if the member does not eventually retire the full amount withdrawn must be refunded as a condition of continued employment.

31. No Trustee shall be responsible and chargeable save and except for monies actually received by him, notwithstanding his having signed any receipt for the sake of conformity or otherwise, nor shall he be responsible or chargeable for the acts, defaults or neglects of the Bank with whom the monies of the Fund are deposited, nor for any loss unless the same happens through his own wilful act or omission.

32. The Trustees shall have power to close the Fund at any time if they shall consider that course advisable or necessary, in which event the Fund shall be divided amongst the members by payment to each member of such sum as may be standing at credit of such member at the time of such division as aforesaid.

33. The decision of the Trustees shall be final and binding upon members in all respects and upon all matters, questions and disputes relating to or connected with these Rules or with the Fund or the administration thereof or the rights and obligations of the members including all disputes

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or differences which may arise between any member or his executors, administrators, nominee or representative and the Trustees as to the meaning or effect of any Rule, or to any matter relating to or arising out of the same.

34. Every employee when joining the Fund shall subscribe an agreement in the following form :—

" I hereby declare that I have read and understood the Rules of the Imperial Bank of India Employees' Provident Fund and I hereby subscribe and agree to be bound by the said Rules."

Dated _____ day of _____ 19 ____ .

Name in full _____

Date of birth _____

Nature of appointment _____

Date of joining service _____

Salary per month _____

(SIGNATURE) _____

WITNESS _____

By order of the Central Board,

R. AITKEN,

W. B. HUNTER,

Managing Governors.

CALCUTTA, 1st Dec. 1922.

EXAMPLE TO RULE 18.

“If a member had served, say, 27 years 5 months 23 days at date of retirement, the pension payable to him would be $\frac{27\frac{5}{12}}{60}$ of the average monthly substantive salary drawn during the last five years’ service, in the case of a member on the Staff in India, and $\frac{27\frac{5}{12}}{60}$ of the salary at date of retirement in the case of a member on the Staff in London.

N. B.—Complete months are taken into the calculation but odd days are excluded.”

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THE IMPERIAL BANK OF INDIA

EMPLOYEES' PENSION AND GUARANTEE FUND.

RULES AND REGULATIONS.

1. That the Fund shall be called the "IMPERIAL BANK OF INDIA EMPLOYEES' PENSION AND GUARANTEE FUND."

2. That the objects and business of the Fund shall be to provide pensions to the Bank's employees and security to the Bank against losses arising from dishonesty on the part of employees requiring to furnish guarantees for the faithful discharge of their duties to the Bank.

3. That the Trustees of the Fund shall be the Governors of the Bank for the time being. That at every Meeting one of the Governors shall be elected Chairman of the Meeting.

4. That the presence of at least five Trustees of whom two shall be executive officers of the Bank shall be necessary to form a Board for the transaction of business. That each Trustee shall have one vote; and in all cases of an equal division the Chairman shall have a casting vote.

5. That every employee of the Bank who is a Member of the Fund shall be required to contribute to the Pension Section of the Fund and every Member required to provide security to the Bank shall in addition be required to contribute to the Guarantee Section of the Fund as hereinafter provided.

6. That the contributions both by the Bank and the employees to the Pension Fund shall be paid monthly, and in the case of the employees shall be deducted from their salaries.

7. That every employee shall contribute monthly five per cent. on his substantive salary to the Pension Section of the Fund.

8. That the Bank shall contribute to the Pension Section of the Fund monthly five per cent. on the total amount of salaries of the employees who are Members of the Fund.

9. That the Bank shall pay interest on the moneys of the Pension Section of the Fund and the Guarantee Section of the Fund in deposit with the Bank at the rate of five per cent. per annum, to be applied at the close of each half-year.

10. That the Trustees may invest the moneys of either or both sections of the Fund or any portion thereof in stocks, funds and securities (other than immoveable property) in which a Trustee is authorised to invest trust money by any Act of Parliament or by any Act of the Governor-General in Council.

11. That no employee shall have any right of property in the Fund beyond the amount of his contributions to the Pension Section of the Fund with the interest due thereon, nor shall he have any voice in its management, unless qualified as a Trustee to the Fund as hereinbefore provided.

12. That an employee dismissed from the Bank's service for wilful neglect or fraud shall forfeit all claim upon the Fund.

13. That the retirement of an employee shall be subject to the consent of the Central Board in the case of Officers and the Local Board concerned or the Central Board as the case may be in the case of other employees and any employee who shall leave the service without such consent shall forfeit all claim upon the Fund for pension.

14. That a pension shall be regarded as only alimentary, and therefore not assignable to any one. It shall *ipso facto* cease in the event of an assignment being made.

15. That pensions shall be reckoned from the first day of the month succeeding that of retirement, and shall be payable monthly to the beneficiary personally, or to his order, accompanied by a life certificate bearing his signature and attested by a Magistrate, Justice of the Peace or Banker.

16. That an employee after retirement shall not be at liberty to enter any other Bank's service in India, without in the first place obtaining the sanction of the Central Board in the case of Officers and the Local Board concerned or the Central Board as the case may be in the case of other employees and should he do so it shall be competent for the Trustees to withdraw the pension, either in whole or in part, at their discretion.

17. That, except as hereinafter provided, no employee shall be entitled to pension until he shall have completed twenty-five years' service.

18. That service rendered before the age of twenty-one years shall not be held as service for pension.

19. That leave granted by the proper authority under the rules of the Bank shall be reckoned as actual service.

20. That pensions shall be payable at the rate of one-sixtieth part, for every year he has served, of the average monthly substantive salary drawn by the employee for the last five years of his service. //

21. That subject to the other provisions of these Rules and Regulations an employee retiring from the Bank before completing twenty-five years' service shall be entitled only to his contributions to the Pension Fund with the interest due thereon.

22. That an employee who shall be proved to the satisfaction of the Governors to be permanently incapacitated by bodily or mental infirmity from further active service (such infirmity not being the result of irregular or intemperate habits) may at the discretion of the Trustees be granted a proportionate pension if he has completed 15 years' service. That an employee retiring from the Bank's service after having completed twenty years' service,

but before the completion of twenty-five years' service, shall be entitled to pension if he shall have attained the age of fifty years, or if he shall satisfy the Governors of the Bank, by approved medical certificate or otherwise, that he is incapacitated as aforesaid for further active service.

23. That the maximum pension, except in cases which the Trustees in their discretion may unanimously consider special, shall not exceed Rs. 750 per mensem and that in no case shall it exceed Rs. 1,000 per mensem.

24. That in the event of an employee dying before he shall be qualified for pension, his heirs, executors, or administrators shall be entitled only to the amount of his contributions to the Pension Fund with the interest due thereon; subject to the proviso that the Trustees shall have the right to pay the same at their discretion for the benefit of the widow and/or children of the deceased employee in such shares or otherwise as the Trustees may think fit.

25. That in the event of an employee dying after he shall have come upon the pension list, but before the total amount of the pension payments he shall have received equals the amount of his contributions to the Pension Fund with the interest due thereon, the residue shall be payable to his heirs, executors, or administrators; subject to the proviso that the Trustees shall have the right to pay the same at their discretion for the benefit of the widow and/or children of the deceased employee in such shares or otherwise as the Trustees may think fit.

26. That the Guarantee Fund shall accept all the risks of guarantee, except as otherwise provided.

27. That no employee shall be entitled to obtain the guarantee of the Fund until he shall have been approved of by the Trustees, and such approval may be given or refused at their absolute discretion without reason assigned.

28. That every Member of the Fund required to provide security to the Bank shall contribute in advance half-yearly on 30th June and 31st December five-eighths or 10 annas per cent. per annum on the difference between the amount of the guarantee and the amount in round hundreds which the member has at his credit in the Pension Section of the Fund, but the Trustees may at their discretion reduce the contributions as follows :—

After 10 half-yearly payments by 10 per cent. to 9/16ths per cent.

" 20	"	"	30	"	7/16ths	"
" 30	"	"	50	"	5/16ths	"

and may, at their discretion, re-impose the full charge of five-eighths per cent. or such lesser charge within the above limits as they may decide.

29. That all moneys received as premia or otherwise on account of guarantees shall be kept in separate account from the moneys proper of the Pension Fund.

30. That in the event of a loss arising to the Bank from the dishonesty of a guaranteed employee, the Bank shall, as early as practicable, give intimation to the Trustees of the Fund of the claim made by the Bank in respect of such loss.

31. That any loss which the Bank may sustain by the dishonesty of a guaranteed employee shall be made good in the following order :—

1. From the defaulting employee's special security if he has been required by the Bank to provide special security.
2. From the defaulting employee's subscription to the Pension Section of the Fund.
3. From the Guarantee Section of the Fund.
4. From the general balance of the Pension Section of the Fund.

32. That no claim upon the Fund shall or can exceed the actual sum for which the defaulting employee shall have been under guarantee at the time of default.

33. That the amount of claim on the Fund in respect of loss arising to the Bank from the dishonesty of a guaranteed employee shall be fixed by the Governors of the Bank, and their decision shall be final, subject to what is otherwise herein provided.

34. That after the expiry of six months from the date on which an employee's service terminated, the Bank shall not be privileged to raise any claim on the Fund on account of any loss occasioned by such employee's dishonesty during the period he was under guarantee of the Fund.

35. That premia paid for guarantees shall not be repayable, but shall become the absolute property of the Fund.

36. That septennially any free balance at credit of the Guarantee Section of the Fund shall be transferred to credit of the Pension Section of the Fund.

37. That the Books and Accounts of the Fund shall be balanced on the 30th of June and the 31st of December in every year; and a Statement of Affairs, made up annually to 30th of June, shall be submitted to a General Meeting of the Members to be held not later than the 31st of August in every year.

38. That the amount of security to be required by the Bank (irrespective of any special security otherwise provided by employees) shall be regulated according to the following scale :—

Salaries from—	Rs.
Rs. 100 up to and including Rs. 500 per mensem ...	5,000 Guarantee.
Over Rs. 500 „ „ „ 750 „ ...	10,000 „
„ 750 „ „ „ „ „ ...	25,000 „

39. That the Trustees shall be empowered, after giving notice to the Subscribers, to add to, to alter, or to modify any of the foregoing rules as circumstances in their opinion may necessitate.